Council of the European Union

Brussels, 27 June 2022
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10509/22
ADD 1 COR 1

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TRANS 426
AGRI 281
COMPET 522
ECOFIN 650
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NOTE

From:	Presidency
To:	Council
No. Cion doc.:	10875/21 + ADD 1 - COM(2021) 551 final
Subject:	Fit for 55 package Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union, Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and Regulation (EU) 2015/757 - General approach

In 10509/22 ADD 1, Article 30c should read as follows:

Article 30c

Total quantity of allowances

1. The Union-wide quantity of allowances issued under this Chapter each year from […] 2027 shall decrease in a linear manner beginning in 2024. The 2024 value shall be defined as the 2024 emissions limits, calculated on the basis of the reference emissions under Article 4(2) of Regulation (EU) 2018/842 of the European Parliament and of the Council(*) for the sectors covered by this Chapter and applying the linear reduction trajectory for all emissions within the scope of that Regulation. The quantity shall decrease each year after 2024 by a linear reduction factor of 5,15 %. By 1 January 2024, the Commission shall publish the Union-wide quantity of allowances for the year […] 2027.

2. The Union-wide quantity of allowances issued under this Chapter each year from 2028 shall decrease in a linear manner beginning from 2025 on the basis of the average emissions reported under this Chapter for the years 2024 to 2026. The quantity of allowances shall decrease by a linear reduction factor of 5,43 %, except if the conditions of point 1 of Annex IIIa apply, in which case, the quantity shall decrease with a linear reduction factor adjusted in accordance with the rules set out in point 2 of Annex IIIa. By 30 June 2027, the Commission shall publish the Union-wide quantity of allowances for the year 2028 and, if required, the adjusted linear reduction factor.

3. The Union-wide quantity of allowances issued under this Chapter shall be adjusted to compensate for the quantity of allowances surrendered in cases where it was not possible to avoid double counting of emissions as referred to in Article 30f(4). The adjustment shall correspond to the total amount of allowances covered by this Chapter which were compensated for in the relevant reporting year pursuant to the acts referred to in Article 30f(4).

4. A Member State having unilaterally included a regulated entity pursuant to Article 30j in the emissions trading established under this Chapter shall ensure that the regulated entity concerned submits by 30 April of the relevant year to the relevant competent authority a duly substantiated report in accordance with the provisions of Article 30f. If the data submitted are duly substantiated, the competent authority shall notify the Commission thereof by 30 June of the relevant year. The quantity of allowances to be issued under paragraph 1 shall be adjusted taking into account the duly substantiated submitted report.

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(*) Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).